

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
ENTERED

APR 09 2001

MICHAEL N. MULBY, CLERK OF COURT

IN RE:

TRI-UNION DEVELOPMENT
CORPORATION,
Tax I.D. No. 76-0503660

DEBTOR.

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CASE NO. 00-32498-H4-11
(CHAPTER 11)

**ORDER AUTHORIZING DEBTOR'S RETENTION OF DeGOLYER
AND MacNAUGHTON AS SPECIAL ENGINEERING CONSULTANTS**

Came on for hearing on March 26, 2001, after due notice, the Debtor's Application for Approval of Retention of DeGolyer and MacNaughton as Special Engineering Consultants (the "Application") filed by Tri-Union Development Corporation ("Tri-Union" or the "Debtor"), seeking authority to retain DeGolyer and MacNaughton ("D&M") pursuant to Bankruptcy Code §§ 327 and 328(a); and the Court having considered the Application, the Joint Objection filed by Credit Lyonnais New York Branch and the Creditors' Committee, the testimony of the witnesses, the arguments by counsel for the parties in interest appearing at the hearing, and, pursuant to the Court's request, the representation by the Debtor and Tribo Petroleum Corporation that (1) the Debtor is seeking to execute contracts with certain purchasers who have demonstrated the ability to fund the purchase price for the sale of certain properties through the Randall & Dewey marketing process on favorable terms that, if closed, would facilitate funding of a plan of reorganization, but that the Debtor does not intend to and will not allow the negotiations for such sales to continue

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for an excessive period of time such that it would interfere with the timing of the transaction for which Jefferies & Company, Inc. is being retained to facilitate (the "Jefferies Transaction") (which representation the Court neither approves nor disapproves); and such Transaction, either with or without a sale(s) described in (1) above, is and will continue to be the primary source of funding for an amended plan of reorganization to be proposed by the Debtor to the exclusion of all other sources of exit financing until it becomes evident that the Jefferies Transaction cannot be successfully consummated; and based upon the foregoing, the Court finds that D&M does not hold or represent an interest adverse to the estate in matters upon which D&M is to be employed, that D&M is a "disinterested person" pursuant to Bankruptcy Code § 101(14), and that the Application should be granted; it is therefore,

ORDERED that Tri-Union's Application is GRANTED; it is further

ORDERED that Tri-Union is AUTHORIZED to retain D&M as special engineering consultants effective as of March 6, 2001, to perform the services described in the Application; and it is further

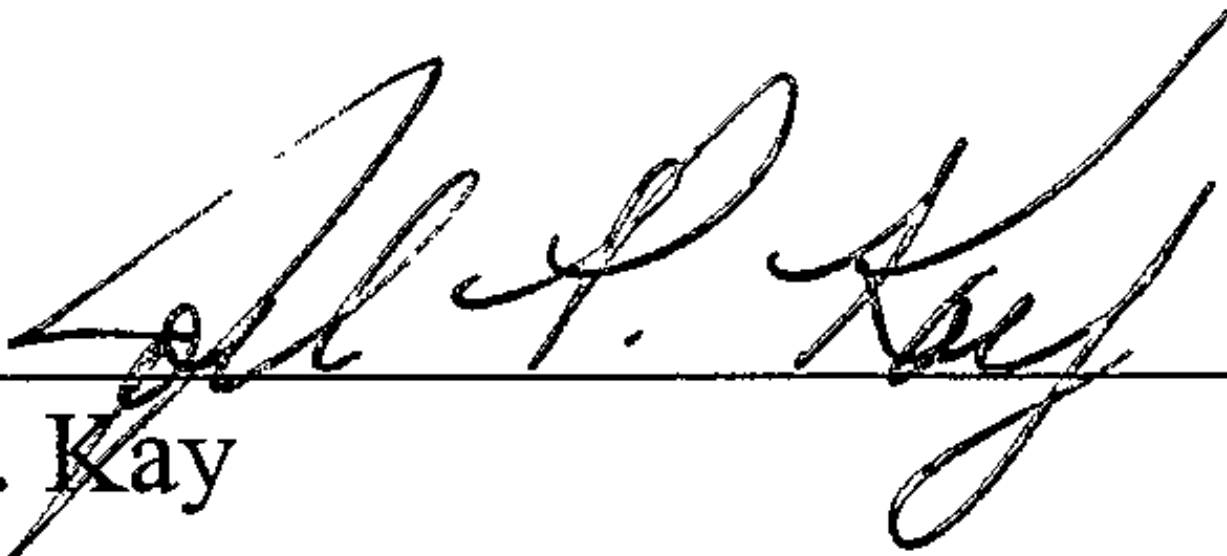
ORDERED that D&M will be compensated pursuant to 11 U.S.C. §§ 328(a) and 330 for out-of-pocket expenses actually incurred and professional fees based upon the hourly rates described in the Application.

SIGNED this 4th day of April, 2001.

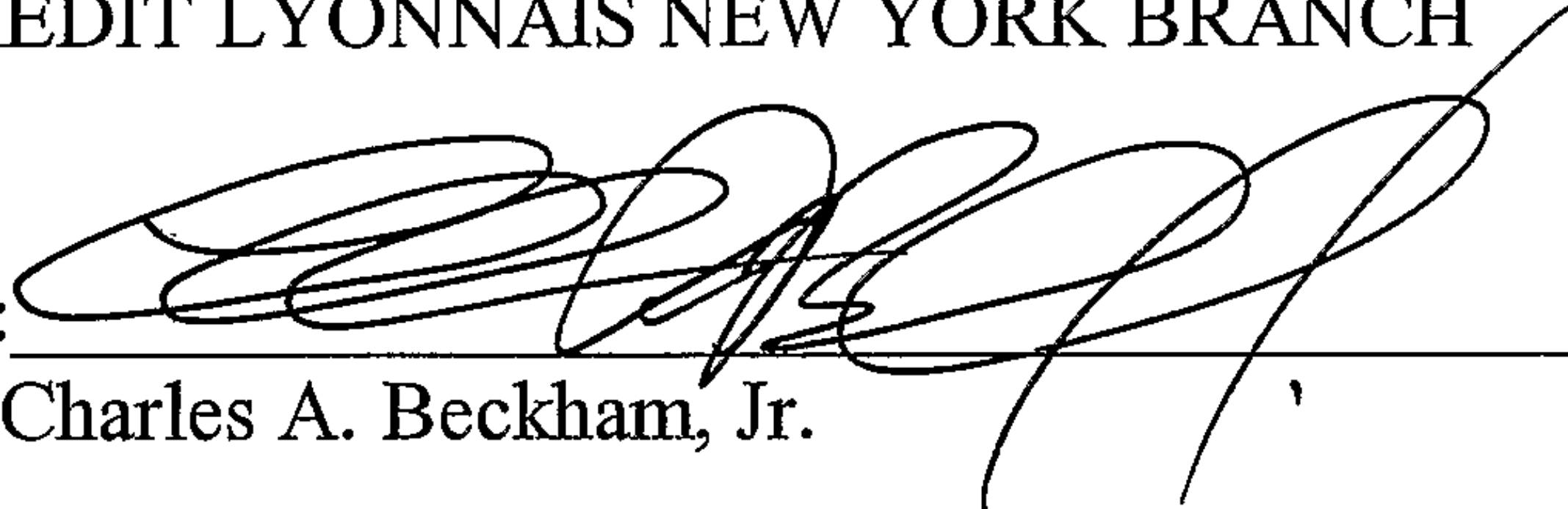

UNITED STATES BANKRUPTCY JUDGE

APPROVED AS TO FORM:

TRI-UNION DEVELOPMENT CORPORATION

By: 
Joel P. Kay

CREDIT LYONNAIS NEW YORK BRANCH

By: 
Charles A. Beckham, Jr.

CREDITORS' COMMITTEE

By: 
Phil Snow

TRIBO PETROLEUM CORPORATION

By: 
Rhett Campbell